

State Farm Insurance Companies
Mid-Atlantic Zone
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**STATE FARM FILES 10% RATE DECREASE
FOR AUTO INSURANCE IN WEST VIRGINIA**

Frederick, Md., (April 29, 2005) – State Farm Insurance, the largest property and casualty insurer in West Virginia and in the nation, today requested approval for a ten percent (10%) rate decrease for its private passenger automobile insurance customers in a rate filing submitted to the West Virginia Insurance Commission. The company requested approval for the new lower rates to begin taking effect in July.

The rate filing was officially submitted to Governor Joe Manchin and to Insurance Commissioner Jane Cline during a bill signing ceremony at the Capitol today in which Governor Manchin signed insurance and civil justice reform legislation into law. The rate filing reaffirms State Farm's pledge to lower its rates for automobile insurance in light of legal reforms passed earlier this month by the West Virginia Legislature.

The filing seeks approval for a ten percent (10%) rate decrease on each State Farm policy for private passenger automobile insurance in West Virginia, beginning with those policies that renew after the new laws take effect in July. The ten percent figure represents \$34 million dollars in rate reductions by State Farm in West Virginia. The average annual State Farm premium for automobile insurance in West Virginia is \$890,

so the average State Farm policyholder will see a rate reduction of \$89 per year, per automobile.

The rate filing must be approved by the West Virginia Insurance Commission before the new rates can take effect.

The company is lowering its auto rates in light of recent insurance and legal reforms passed by the West Virginia Legislature. One of the new laws abolishes the private cause of action for third party lawsuits against insurance companies, which brings West Virginia in line with the laws of 44 other states. Another reform modifies the system of "joint and several" liability used to assess damages in lawsuits.

Operations Vice President for State Farm's Mid-Atlantic Zone, Arlene Hogan, recognized Governor Joe Manchin and the West Virginia Legislature for their leadership on these issues. "I am pleased to reaffirm State Farm's commitment to Governor Manchin in response to the meaningful insurance reform enacted by the West Virginia Legislature.", Hogan said. "State Farm commends Governor Joe Manchin, Senate President Earl Ray Tomblin, House Speaker Bob Kiss and Insurance Commissioner Jane Cline for their leadership in enacting these laws to address many of the problems with West Virginia's insurance market. These historic reforms will help make insurance more available and affordable for West Virginia consumers."

State Farm Insurance is the state's largest property and casualty insurer. State Farm insures thirty percent (30%) of the automobiles and twenty-five percent (25%) of the homes in West Virginia. State Farm has 146 independent contractor agents in West Virginia, and over 840 people are employed in State Farm claim offices and agencies throughout the state.